

Meeting Date: 02-06-07

AGENDA REPORT

Agenda Item # 5A



City of Santa Clara, California



DATE: January 29, 2007

TO: City Manager/Executive Director for City Council/Redevelopment Agency Action

FROM: Assistant City Manager

SUBJECT: Recommended Process to Guide Discussions and Possible Negotiations for a Proposed San Francisco 49ers Stadium in the City of Santa Clara

EXECUTIVE SUMMARY:

At their January 9, 2007 meeting, Council directed staff to proceed with a stadium feasibility study and return to Council on February 6, 2007 with a proposed process to guide discussions and possible negotiations of a 49ers stadium in the City of Santa Clara. Staff has been meeting with 49er representatives to determine a process structure that will support and facilitate discussions leading to the completion of the feasibility analysis. Staff and the 49ers have worked with their respective guiding principles, presented at the January 9th Council meeting, to find a common platform to proceed with the feasibility study. The process outline is presented in the **DISCUSSIONS** section of this report.

ADVANTAGES AND DISADVANTAGES OF ISSUE:

Staff and 49er representatives have worked cooperatively to identify a process structure that will not impede or hinder the completion of a feasibility analysis, but rather will allow for clear and open communications between the negotiating parties, the Council, and the community. It is a prudent business practice to enter into major land use negotiations with a clearly stated process outline. While this process outline cannot anticipate all possible issues and/or contingencies it will serve as a basic roadmap, allowing for adjustments if and when deemed necessary.

ECONOMIC/FISCAL IMPACT:

There is no fiscal impact in defining an appropriate process to guide staff discussions and negotiations, Council's ability to provide policy direction to staff, or the community's ability to be informed as discussions proceed. There is a need to support City staff with specialized resources to complete the feasibility analysis in a timely manner. Various land use and financing specialists have historically supported the City and/or Redevelopment Agency (RDA): as an example, bond counsel, financial advisors and RDA legal counsel. Due to the anticipated complexity of the stadium feasibility study, staff may require additional land use consultants, economic consultants and specialized sports industry consultants. While the actual cost of these services is not known at this time, staff is recommending an initial budget of \$200,000, funded from RDA tax increment revenues, to support these efforts. It has been a long held City practice that when a land use feasibility analysis and/or preliminary negotiation process is taking place, particularly within the City's Redevelopment Areas, that the City/RDA pays for the efforts required to objectively test whether further negotiations should occur. If, at the end of the feasibility study process, the Council/Agency chooses to proceed to negotiate with the 49ers for a stadium in the City, staff would look to the 49ers to fund an appropriate amount of the cost to undertake such a process. Again, this has been a past practice of the City/Agency with other private development projects.

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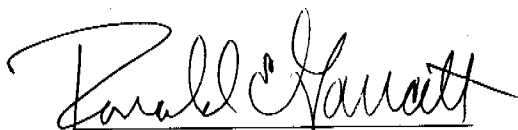
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RECOMMENDATION:

It is recommended that the Council/Agency:

1. Approve the process to guide the feasibility study of a proposed stadium for the San Francisco 49ers in the City of Santa Clara as outlined in the Discussion section of this report;
2. Direct the City Manager to use the process in conducting the stadium feasibility study; and
3. Authorize the appropriation of \$200,000 from Redevelopment Agency funds (account 901-9011-87870) for specialized legal and consulting services to support City/Agency staff during the feasibility analysis and direct the City Manager to return to the City Council/Redevelopment Agency for approval of contracts as necessary.

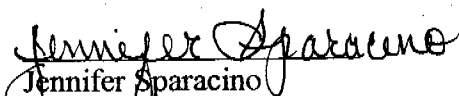


Ronald E. Garratt
Assistant City Manager

Certified as to Availability of Funds:
901-9011-87870 (RDA funds) \$200,000.00

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SA

APPROVED:



Jennifer Sparacino
City Manager / Executive Director for
Redevelopment Agency



Mary Ann Parrot
Redevelopment Agency Treasurer

MAJORITY VOTE OF COUNCIL

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DISCUSSION:

The following process is proposed to guide the completion of the feasibility analysis of a 49ers stadium in the City of Santa Clara:

1. City staff and 49ers staff will have the opportunity to participate in public meeting Study Sessions with the Council as a "Committee of the Whole". These Study Sessions will be held in the Council Chambers on noticed meeting dates to update and inform the Council and community of issues pertaining to the ongoing feasibility analysis. A "Committee of the Whole" approach allows all Council members, as the final decision makers in the negotiating process, to stay up-to-date on issues.
2. Public Study Sessions and Executive (closed) session meetings will be held, when necessary, on evenings when regularly scheduled Council meetings are not scheduled. Council can set special meetings on any chosen date if that proves more convenient for the Council and community. The opportunity to meet away from the every two-week regular Council meeting schedule would allow the Council/Agency time to focus on and inquire of issues solely pertaining to the stadium feasibility analysis, while not impacting the ongoing need to conduct other City business at the regularly scheduled Council meetings. In some situations, where scheduling allows, stadium issues could be heard prior to regularly scheduled Council meetings.
3. Discussions/negotiations will occur between City Manager designated staff and representatives of the San Francisco 49ers. While both parties will involve various third party attorneys, consultants and advisors in the discussions as necessary, the lead responsibility for the negotiations and completion of the feasibility analysis will rest with the City Manager and senior City staff and ownership/senior management from the 49ers.
4. As necessary, staff will request Executive (closed) meeting sessions of the Council/Agency to discuss City land use negotiations and to update Council/Agency members on important negotiating issues in order to receive Council direction as needed.
5. It is anticipated that initial meetings between staff and the 49ers will focus on off-site infrastructure issues and parking/traffic issues. The 49ers have indicated that a proposal fully delineating their requested "public-private partnership", including a proposed financing plan, will be received by the City in approximately six to eight weeks.